

REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS AUDIT EXAMINATION OF THE CARLISLE COUNTY FISCAL COURT

Fiscal Year Ended June 30, 1999

EDWARD B. HATCHETT, JR. AUDITOR OF PUBLIC ACCOUNTS WWW.KYAUDITOR.NET

144 CAPITOL ANNEX FRANKFORT, KY 40601 TELE. (502) 564-5841 FAX (502) 564-2912

CONTENTS	PAGE

INDEPENDENT AUDITOR'S REPORT	1
CARLISLE COUNTY OFFICIALS	3
STATEMENT OF ASSETS, LIABILITIES,	
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS	7
STATEMENT OF CASH RECEIPTS,	
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES	10
NOTES TO FINANCIAL STATEMENTS	12
COMPARATIVE SCHEDULE OF BUDGETED TO ACTUAL OPERATING REVENUE	19
SCHEDULE OF OPERATING REVENUE	22
COMPARATIVE SCHEDULE OF FINAL BUDGET AND BUDGETED EXPENDITURES	31
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	43
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	44
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL	
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED	
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	47
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM	
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	51
FEDERAL FINDINGS AND QUESTIONED COSTS	44
APPENDIX A:	

CERTIFICATION OF COMPLIANCE – LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAMS



Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Mike Haydon, Secretary, Revenue Cabinet
Honorable John Roberts, Carlisle County Judge/Executive
Members of the Carlisle County Fiscal Court

<u>Independent Auditor's Report</u>

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Carlisle County, Kentucky, as of June 30, 1999, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Carlisle County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, <u>Government Auditing Standards</u> issued by the Comptroller General of the United States, and the <u>Audit Guide for Fiscal Court Audits</u> issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Carlisle County, Kentucky prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Carlisle County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1999, in conformity with the cash basis of accounting described above.

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Mike Haydon, Secretary, Revenue Cabinet
Honorable John Roberts, Carlisle County Judge/Executive
Members of the Carlisle County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Carlisle County, Kentucky, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A–133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the financial statements. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

In accordance with <u>Government Auditing Standards</u>, we have also issued our report dated February 1, 2000 on our consideration of Carlisle County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,

Edward B. Hatchett, Jr. Auditor of Public Accounts

Audit fieldwork completed - February 1, 2000

CARLISLE COUNTY OFFICIALS

Fiscal Year Ended June 30, 1999

John Roberts County Judge/Executive

Mike Hogancamp County Attorney
Theresa Owens County Clerk

Kevin Hoskins Circuit Court Clerk

Steve McChristian Sheriff
Larry Byassee Jailer

Larry Scott Property Valuation Administrator

Lavada Bean County Treasurer

Wayne Floyd Coroner
Harold Wilson Magistrate
Burley Mathis Magistrate
Lloyd Presson Magistrate
James McPherson Magistrate
Roy Davis Magistrate

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

CARLISLE COUNTY STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1999

Assets

General Fund:	
Cash	\$ 19,037
Road and Bridge Fund:	
Cash	38,943
Investments	125,000
Jail Fund:	
Cash	6,660
Local Government Economic Assistance Fund:	
Cash	1,422
Sewer Fund:	
Cash	247
Disaster and Emergency Services Fund:	
Cash	2,648
Ambulance Fund:	
Cash	9,680
Investments	90,000
911 Fund:	
Cash	2,253
Industrial Development Authority Fund:	
Cash	4,168
Investments	231,513
Due From Sewer Fund (Note 4)	1,127
Payroll Revolving Account:	
Cash	 7,711
Total Assets	\$ 540,409

CARLISLE COUNTY STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS June 30, 1999 (Continued)

<u>Liabilities and Fund Balances</u>

Liabilities

Industrial Development Board Authority Fund: Note Payable (Note 5) Sewer Fund:	\$ 30,000
Due to Industrial Development Authority Fund (Note 4)	1,127
Payroll Revolving Account	7,711
	. , .
Fund Balances	
Reserved:	
Sewer Fund	(880)
Disaster and Emergency Services Fund	2,648
Ambulance Fund	99,680
911 Fund	2,253
Industrial Development Authority Fund	206,808
Unreserved:	
General Fund	19,037
Road and Bridge Fund	163,943
Jail Fund	6,660
	*
Local Government Economic Assistance Fund	1,422
Total Liabilities and Fund Balances	\$ 540,409

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

CARLISLE COUNTY STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1999

Cash Receipts	Tot (M On	emorandum	Gen Fun		Roa Brid Fund	_	Jail l	Fund
Operating Revenue - Schedule B Lease Proceeds Other Revenue	\$	2,058,555 22,000 53,468	\$	311,884	\$	635,391 22,000	\$	72,665
Transfers In		282,549		168,843		20,000		40,000
Total Cash Receipts	\$	2,416,572	\$	480,727	\$	677,391	\$	112,665
Cash Disbursements								
Budgeted Operating Expenditures - Schedule C Unbudgeted Expenditures -	\$	1,943,530	\$	380,542	\$	404,484	\$	110,069
Industrial Development Authority Fund Transfers Out	Į.	132 282,549		102,850		148,093		
Note Payable: Principal Paid Interest Paid		5,000 2,204						
Total Cash Disbursements	\$	2,233,415	\$	483,392	\$	552,577	\$	110,069
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements Cash Balance - July 1, 1998*	\$	183,157 348,414	\$	(2,665) 21,702	\$	124,814 39,129	\$	2,596 4,064
Cash Balance - June 30, 1999*	\$	531,571	\$	19,037	\$	163,943	\$	6,660

The accompanying notes are an integral part of the financial statements.

^{*} Cash Balance Includes Investments

CARLISLE COUNTY STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES Fiscal Year Ended June 30, 1999 (Continued)

Local											
	rnment										
Econo					ster and						strial
Assist	tance				rgency		oulance				elopment
Fund		Sew	er Fund	Serv	ices Fund	Fun	<u>d</u>	911	Fund	Autl	nority Fund
\$	6,360	\$	820,209	\$	12,099	\$	143,278	\$	56,669	\$	
	350				16,856				36,500		53,468
\$	6,710	\$	820,209	\$	28,955	\$	143,278	\$	93,169	\$	53,468
\$	5,808	\$	820,207	\$	29,009	\$	96,335	\$	97,076	\$	
							29,892		1,714		132
											5,000 2,204
\$	5,808	\$	820,207	\$	29,009	\$	126,227	\$	98,790	\$	7,336
\$	902 520	\$	2 245	\$	(54) 2,702	\$	17,051 82,629	\$	(5,621) 7,874	\$	46,132 189,549
\$	1,422	\$	247	\$	2,648	\$	99,680	\$	2,253	\$	235,681

CARLISLE COUNTY NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Carlisle County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, management has included the Industrial Development Authority as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Carlisle County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

CARLISLE COUNTY NOTES TO FINANCIAL STATEMENTS June 30, 1999 (Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.22 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits and Investments

A. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of June 30, 1999, the county's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bond which named the county as beneficiary/obligee on the bond.

CARLISLE COUNTY NOTES TO FINANCIAL STATEMENTS June 30, 1999 (Continued)

Note 4. Receivable

The Industrial Development Authority loaned Carlisle County \$46,127 for engineering expenses concerning the Regional Wastewater Improvements Project. The Industrial Development Authority is to be repaid from the proceeds of a Community Development Block Grand (CDBG) and other available funds contingent upon final bidding approval. The Sewer Fund has been setup as a budget fund controlled by Carlisle County for the proceeds of the CDBG. Carlisle County repaid \$6,000 of the above in fiscal year 1997 and \$39,000 in fiscal year 1999. As of June 30, 1999, \$1,127 is still due the Industrial Development Authority.

Note 5. Note Payable

The Industrial Development Authority purchased \$50,000 of land from Jack and Mary Boswell for economic development in the county. The initial down payment of \$5,000 was paid on May 9, 1996, and the remaining balance of \$45,000 was set up in a promissory note where a payment of \$7,204 (including interest) was to be paid to the Boswells each April. As of June 30, 1999, \$15,000 had been paid on this note leaving a principal balance of \$30,000.

Fiscal Year	~	cheduled Interest	Scheduled Principal		
2000 2001 2002 2003 Thereafter	\$	2,204 2,204 2,204 2,204 4,408	\$	5,000 5,000 5,000 5,000 10,000	
Totals	\$	13,224	\$	30,000	

Note 6. Lease-Purchase Agreements

The county has entered into the following lease-purchase agreements:

Description	Monthly Payment	Term of Agreement	Ending Date	Principal Balance 6-30-99		
Voting Machine	Variable	120 Months	08/20/2002	\$	13,546	
ANI Display Equipment and North Star Key System with Two Phones	\$764	24 Months	10/16/1999	\$	3,050	
1998 1-Ton Truck	N/A	3 Annual	11/20/2001	\$	17,500	

Note 6. Insurance

CARLISLE COUNTY NOTES TO FINANCIAL STATEMENTS June 30, 1999 (Continued)

For the fiscal year ended June 30, 1999, Carlisle County was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.



COMPARATIVE SCHEDULE OF BUDGETED TO ACTUAL OPERATING REVENUE

CARLISLE COUNTY COMPARATIVE SCHEDULE OF BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1999

	Budgeted		Actual		Over	
	Ope	rating	Ope	rating	(Un	ider)
Budgeted Funds	Rev	enue	Rev	enue	Buc	lget
General Fund	\$	408,523	\$	311,884		(\$96,639)
Road and Bridge Fund		691,592		635,391		(56,201)
Jail Fund		119,722		72,665		(47,057)
Local Government Economic Assistance Fund		6,720		6,360		(360)
Sewer Fund		1,856,685		820,209		(1,036,476)
Disaster and Emergency Services Fund		29,346		12,099		(17,247)
Ambulance Fund		186,716		143,278		(43,438)
911 Fund		97,333		56,669		(40,664)
Totals	\$	3,396,637	\$	2,058,555		(\$1,338,082)
Reconciliation						
Total Budgeted Operating Revenue Above					\$	2,058,555
Add: Budgeted Prior Year Surplus						1,338,082
Total Budget Per Comparative Schedule Of Final						
Budget and Budgeted Expenditures					\$	3,396,637





CARLISLE COUNTY SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1999

	Tota (Me Only	morandum	Gene Fund		Road and Bridge Fund		Jail Fund	
Revenue From Local Taxes and Excess Fees								
Sheriff: Real Property Tax Tangible Personal Property Tax Timberland Tax County Clerk: Deed Transfer Tax Delinquent Taxes	\$	162,628 36,212 819 4,882 1,383	\$	104,360 29,095 819 4,882 1,110	\$		\$	
Excess Fees - 1997 County: Bank Shares Tangible Personal Property Taxes: Other Counties County Clerk		2,389 18,796 3,404 44,765		2,389 18,796 3,404 29,946				
In Lieu of Taxes: TVA		7,699		7,699				
Totals <u>U.S. Treasurer</u>	\$	282,977	\$	202,500	\$	0	\$	0
Department of Justice: Community Oriented Police Services Grant	\$	11,006	\$	11,006	\$	0	\$	0
<u>Federal Receipts - State Treasurer</u>								
Disaster and Emergency Assistance Grant - Coordinator Salary Federal Emergency Management Administration Grant Community Development Block Grant - Sewer	\$	6,722 1,078 820,209	\$		\$		\$	
Totals	\$	828,009	\$	0	\$	0	\$	0

Local Government Economic Assistance Fund Fund Fund			Eme	ster and rgency ices Fund	Amb Fund	ulance	911 Fund		
\$		\$		\$		\$	58,268 7,117	\$	
							273		
							14,819		
\$	0	\$	0	\$	0	\$	80,477	\$	0
\$	0	\$	0	\$	0	\$	0	\$	0
\$		\$		\$	6,722 1,078	\$		\$	
			820,209		1,070				
\$	0	\$	820,209	\$	7,800	\$	0	\$	0

	Totals (Memorandum Only)		General Fund		Road and Bridge Fund		Jail Fund	
Kentucky State Treasurer								
Jail:								
Allotments	\$	24,000	\$		\$		\$	24,000
Medical Allotments		1,794						1,794
Juvenile State Refund		1,631						1,631
DUI Service Fees		1,348						1,348
County Road Aid		437,110				437,110		
Truck License Distribution		161,449				161,449		
Transportation Cabinet - Roads		2,417				2,417		
Tank Removal Reimbursement		3,265				3,265		
Election Expense Reimbursement		3,570		3,570		·		
Courthouse Rental - Administrative				·				
Office of the Courts		33,865		33,865				
Police Incentive Pay		5,886		5,886				
Refunds:				·				
Legal Process Tax		29		29				
Drivers Licenses								
Fuel Reimbursement		16,103				16,103		
Severance Taxes:		,				,		
Coal		6,350						
Board of Assessments		200		200				
Grants:								
Sewer Grant		40,000		40,000				
Emergency Management Grant		3,626		,		3,626		
Senate Bill 66 Grant		2,350				-,		
Disaster and Emergency		_,===						
Assistance -								
Coordinator Salary		3,949	-					
Totals	\$	748,942	\$	83,550	\$	623,970	\$	28,773
	-7	,		,		,0		,

Local Government Economic Assistance Fund	Sewer Fund	Disaster and Emergency Services Fund	Ambulance Fund	911 Fund
\$	\$	\$	\$	\$

6,350

 3,949

 6,350
 \$
 0
 \$
 3,949
 \$
 2,350
 \$
 0

	To	tals			Road and				
	(M	emorandum	Gen	neral	Bridge				
	On	Only) I		Fund		Fund		Jail Fund	
Miscellaneous Revenue									
Interest	\$	16,096	\$	1,339	\$	9,720	\$	226	
Circuit Court Clerk:									
Jail Court Cost		3,500						3,500	
Work Release		38,306						38,306	
Jail:									
Telephone Commission Refunds									
Licenses and Permits:									
Cable TV Franchise		1,589		1,589					
Other Licenses		10							
Charges for Services:									
Telephone Fees		56,463							
Donations		1,400							
Ambulance Service		53,261							
Insurance Proceeds		1,800		1,800					
Miscellaneous Items		15,196		10,100		1,701		1,860	
Totals	\$	187,621	\$	14,828	\$	11,421	\$	43,892	
Total Operating Revenue	\$	2,058,555	\$	311,884	\$	635,391	\$	72,665	

Local						
Government						
Economic		Disaster and				
Assistance	Sewer	Emergency	Ambul	ance		
Fund	Fund	Services Fund	Fund		911 Fund	
				_		
\$	\$	\$	\$	4,702	\$	109

10				
		250	1.050	56,463
		350	1,050 53,261	
 		 	 1,438	 97
\$ 10	\$ 0	\$ 350	\$ 60,451	\$ 56,669
\$ 6,360	\$ 820,209	\$ 12,099	\$ 143,278	\$ 56,669

COMPARATIVE SCHEDULE OF FINAL BUDGET AND BUDGETED EXPENDITURES

CARLISLE COUNTY COMPARATIVE SCHEDULE OF FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

	Final Budget		Budgeted Expenditures		Under (Over) Budget	
GENERAL FUND						
General Government						
Office of County Judge/Executive:						
Salaries-	ď	<i>55</i> 100	¢.	<i>55</i> 100	¢	
County Judge/Executive Administrative Assistant	\$	55,120 18,214	\$	55,120 18,213	\$	1
Program Support		1,500		729		771
Office Materials and Supplies		1,000		423		577
Travel		4,000		3,951		49
0.00						
Office of County Attorney:		c c00		<i>c.c</i> 00		
County Attorney Salary		6,600		6,600		
Office of Sheriff:						
Deputies Salaries		13,226		12,769		457
Program Support		7,554		7,554		
Materials and Supplies		1,000		661		339
Office of County Coroner:						
Salaries-						
County Coroner		3,600		3,600		
Deputy Coroner		1,200		1,200		
Expenses		200		132		68
Office Materials and Supplies		300		254		46
Conference Training and Travel		1,755		1,526		229
Fiscal Court:						
Magistrates-						
Salaries		24,600		24,600		
Expense Allowance		11,400		11,400		
Conference and Training		3,500		3,151		349
Memberships		3,690		3,467		223
Travel		5,304		5,303		1
Fiscal Court Clerk Salary		2,004		2,004		

CARLISLE COUNTY COMPARATIVE SCHEDULE OF FINAL BUDGET AND BUDGETED EXPENDITURES Fiscal Year Ended June 30, 1999 (Continued)

	Final Budget	\mathcal{C}			Under (Over) Budget	
GENERAL FUND (Continued)						
General Government						
Office of Property Valuation Administrator: Statutory Contribution	\$	6,037	\$	6,037	\$	
Office of Board of Assessment Appeals: Board and Committee Member Fees		400		400		
Office of County Treasurer: County Treasurer Salary Computer Maintenance Services Office Materials and Supplies Training and Travel		16,011 1,545 1,000 1,000		16,011 1,545 682 877		318 123
County Law Library: Law Librarian Salary Law Library Books		1,200 200		1,200		200
Elections: Per Diem- Election Commissioners Election Officers Program Support Election Ballot Printing		2,500 4,022 8,421 4,500		2,348 4,002 8,420 4,087		152 20 1 413
Courthouse: Janitorial Services Salaries Maintenance and Grounds Insurance Insurance - Building and Contents Telephone Utilities Program Support Water Tower Repair		6,500 3,554 5,864 11 7,650 12,700 5,000 40,000		6,500 3,553 5,863 7,648 9,972 4,782 40,000		1 11 2 2,728 218

	Final Budget		Budge Exper	eted nditures	Under (Over) Budget	
GENERAL FUND (Continued)						
General Government (Continued)						
Courthouse: (Continued) Office Equipment Office Supplies Other Miscellaneous Materials Bonds Contributions Tax Bill Preparation	\$	2,502 10,000 1,000 1,068 1,000 1,541	\$	2,502 9,750 993 1,068 500 1,541	\$	250 7 500
Protection to Persons and Property						
Forestry Fire Protection: Forest Resource Services		588		588		
Office of Public Defender: Mandated Program Support		655		655		
General Health and Sanitation						
Solid Waste Collection: Solid Waste		250				250
Social Services						
Literacy Coordinator Salary		500				500
Recreation and Culture						
Parks: Recreation Supplies and Equipment		1,000				1,000
<u>Debt Service</u>						
Leases: Voting Machines		4,408		4,407		1

	Final Budg	et	lgeted penditures	Under (Over Budge)
GENERAL FUND (Continued)					
<u>Administration</u>					
General Services: Audit Services Purchase Area Development	\$	12,700	\$ 12,667	\$	33
District Dues Postal Charges		1,000 2,500	968 1,710		32 790
Contingent Appropriations: Reserve for Transfers		16779			16779
Fringe Benefits: County Contributions- Social Security Retirement		21,653 25,614	21,653 25,614		
Health Insurance Worker's Compensation Unemployment Insurance		1,800 7,000 1,083	 1,800 6,459 1,083		541
Total General Fund	\$	408,523	\$ 380,542	\$	27,981
ROAD AND BRIDGE FUND					
Roads					
Office of Road Supervisor/Engineer: Road Supervisor Salary	\$	27,560	\$ 26,348	\$	1,212
Road Maintenance: Road Labor Salaries Equipment Lease Asphalt Crushed Stone and Gravel Garage Supplies New and Used Equipment Gasoline Materials Maintenance and Repairs - Equipment Equipment Rental		110,520 22,000 110,500 100,000 4,000 25,000 20,250 5,000 30,000 9,000	110,519 5,239 29,022 61,427 3,491 24,617 20,233 2,293 15,910 7,619		1 16,761 81,478 38,573 509 383 17 2,707 14,090 1,381

	Final Budget		Budg Expe	geted nditures	Under (Over) Budget	
ROAD AND BRIDGE FUND (Continued)						
Roads (Continued)						
Road Maintenance: (Continued)						
Pipe	\$	10,000	\$	7,511	\$	2,489
Tires and Tubes		5,075		5,075		
Uniforms		3,010		2,815		195
Insurance-						
Building and Contents		20,000		20,000		
Liability		17,000		17,000		
Vehicles and Equipment		11,000		11,000		205
Utilities Travel		1,500		1,295		205 342
Telephone		2,100 5,000		1,758 4,022		978
Office Materials and Supplies		1,000		333		667
Office Materials and Supplies		1,000		333		007
<u>Capital Projects</u>						
Bridges:						
Contracted Construction		40,000				40,000
0						
Streets and Highways:		40,000				40.000
Contracted Construction		40,000				40,000
Administration						
General Services:						• 0
Legal Notice and Recording		3,000		1,000		2,000
Contingent Appropriations:						
Reserve for Budget Transfers		20,617				20,617
		- 7 - '				- ,

ROAD AND BRIDGE FUND (Continued)	Final Budget		Budgeted Expenditures		Und (Ov Bud	er)
Administration (Continued)						
Fringe Benefits: County Contributions- Social Security Retirement	\$	10,260 12,000	\$	9,820 11,205	\$	440 795
Health Insurance		1,200		550		650
Worker's Compensation		20,500		4,382		16,118
Unemployment Insurance		4,500				4,500
Total Road and Bridge Fund	\$	691,592	\$	404,484	\$	287,108
JAIL FUND						
Protection to Persons and Property						
Office of Jailer:						
Personnel Services-						
Salaries-						
Jailer	\$	19,021	\$	19,021	\$	0
Jail Personnel-Part Time		2,300		2,290		10
Operations-						
Gasoline		640		636		4
Routine Medical		1,044		622		422
Vehicle Maintenance		722		560		162
Contract With Other Counties-						
Housing Prisoners		66,749		65,945		804
Housing Juveniles		16,456		16,456		
Staff Travel		700		576		124
Telephone		500		390		110
Miscellaneous		500		304		196
Administration						
General Services:						
Association Dues		50		50		

	Final Budget		Budgeted Expenditures		Under (Over) Budget	
JAIL FUND (Continued)						
Administration (Continued)						
Contingent Appropriations: Reserve for Budget Transfers	\$	7,517	\$		\$	7,517
Fringe Benefits: County Contributions- Social Security Retirement		1,380 2,143		1,380 1,839		304
Total Jail Fund	\$	119,722	\$	110,069	\$	9,653
LOCAL GOVERNMENT ECONOMIC <u>ASSISTANCE FUND</u>						
General Government						
Office of Sheriff: Program Support	\$	4,200	\$	4,200	\$	
Office of Coroner: Materials and Supplies		500		481		19
General Health and Sanitation						
Dog Control: Animal Supplies, Food, and Care		1,000		906		94
Recreation and Culture						
Parks: Program Support		1,020		221		799
Total Local Government Economic Assistance Fund	\$	6,720	\$	5,808	\$	912

	Final Budget		Budgeted Expenditures		Under (Over) Budget	
SEWER FUND						
Capital Projects						
Sewers: Administration Engineering Services Public Facilities Improvement	\$	66,685 1,095,000 695,000	\$	30,500 303,533 486,174	\$	36,185 791,467 208,826
Total Sewer Fund	\$	1,856,685	\$	820,207	\$	1,036,478
DISASTER AND EMERGENCY SERVICES FUND						
Protection to Persons and Property						
Disaster and Emergency Services: Salaries-						
Director Telephone Service	\$	18,920 2,194	\$	18,920 2185	\$	9
Utilities		4,100		3992		108
Program Support		300		272		28
Miscellaneous		896		851		45
Administration						
Contingent Appropriations:						
Reserve for Budget Transfers		107				107
Fringe Benefits: County Contributions-						
Social Security		1,273		1,234		39
Retirement		1,556		1,555		1
Total Disaster And Emergency Services						
Fund	\$	29,346	\$	29,009	\$	337

	Final Budget		Budg Exper	eted nditures	Under (Over) Budget	
AMBULANCE FUND						
Protection To Persons and Property						
Ambulance Service:						
Treasurer Salary	\$	2,034	\$	2,034	\$	
Finance Administrator Salary		650		650		
Ambulance Service Contract		49,500		49,500		
Advance Life Support		18,000		12,660		5,340
Vehicle		15,000				15,000
New Equipment		4,000		3,867		133
Maintenance and Repair-Vehicle		3,525		3,292		233
Maintenance Building		1,000		782		218
Fuel		2,600		557		2,043
Medical Supplies		15,000		12,736		2,264
Other Materials and Supplies		1,000		933		67
Telephone		3,106		2,994		112
Utilities		4,000		610		3,390
Program Support		3,000		1,398		1,602
Miscellaneous		1,000		938		62
Administration						
General Services:						
Auditing Services		5,000				5,000
Postal Charges		3,000		2,969		31
Contingent Appropriations:						
Reserve for Budget Transfers		54,866				54,866
Fringe Benefits:						
County Contributions-						
Social Security		206		195		11
Retirement		229		220		9
Total Ambulance Fund	\$	186,716	\$	96,335	\$	90,381

	Final Budge	et		dgeted penditures	Unde (Over Budg	r)
<u>911 FUND</u>						
Protection to Persons and Property						
Emergency Dispatch Service:						
Dispatch Labor	\$	58,108	\$	58,007	\$	101
Equipment		3,900		3,876		24
Office Supplies		900		876		24
Program Support		2,192		2,158		34
Phone Service		10,825		10,825		
Miscellaneous		1,000		972		28
Debt Service						
ANI Display Equipment and North Star Key						
System with Two Phones		11,571		11,571		
Administration						
Contingent Appropriations:						
Reserve for Budget Transfers		6				6
Fringe Benefits: County Contributions-						
Social Security		4,255		4,225		30
Retirement		4,576		4,566		10
Total 911 Fund	\$	97,333	_\$_	97,076	\$	257
TOTAL BUDGET - ALL FUNDS	\$	3,396,637	\$	1,943,530	\$	1,453,107

SCHEDULE OF FEDERAL EXPENDITURES

CARLISLE COUNTY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 1999

Program Title Pass-Through Grant Name (CFDA #) Grantor's Number Expenditures Cash Programs U.S. Department of Housing and <u>Urban Development</u> Passed - Through State Department for Local Government: Community Development Block Grant - Sewer Project (CFDA #14.228) B-95-DC-21-001 820,207 U.S. Department of Justice Passed-Through State Justice Cabinet:

U.S. Federal Emergency Management Agency

Community Oriented Policing Services (COPS)

Passed-Through State Department of Military Affairs:
Disaster and Emergency
Assistance Grants-

(CFDA #16.710)

Federal Grantor

Coordinator Salary (CFDA #83.544) FEMA-1794-DR-KY 9,467

96-UM-WX-0084

Total Cash Expenditures of Federal Awards

\$ 839,552

9,878

CARLISLE COUNTY NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 1999

Note 1 - Basis of Presentation

This schedule is presented on a cash basis.

Note 2 - As required by this grant agreement, all program moneys received by the recipient after the completion of all recipient grant activities shall be used by the recipient for community or economic development activities eligible for assistance under Title I of the Housing and Community Development Act of 1974, so specified in the Commonwealth of Kentucky's Community Development Block Grant Eligible Activities Policy Statement.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr. Auditor of Public Accounts

Honorable John Roberts, Carlisle County Judge/Executive Members of the Carlisle County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Carlisle County, Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated February 1, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in <u>Government Auditing Standards</u> issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Carlisle County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under <u>Government Auditing Standards</u>.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Carlisle County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Honorable John Roberts, Carlisle County Judge/Executive Members of the Carlisle County Fiscal Court Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards (Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

Edward B. Hatchett, Jr. Auditor of Public Accounts

Audit fieldwork completed - February 1, 2000

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133



Edward B. Hatchett, Jr. Auditor of Public Accounts

Honorable John Roberts, Carlisle County Judge/Executive Members of the Carlisle County Fiscal Court

Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133

Compliance

We have audited the compliance of Carlisle County, Kentucky, with the types of compliance requirements described in the <u>U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement</u> that are applicable to each major federal program for the year ended June 30, 1999. Carlisle County's major federal program is identified in the schedule of expenditures of federal awards. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of Carlisle County's management. Our responsibility is to express an opinion on Carlisle County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States, and OMB Circular A-133, <u>Audits of States</u>, <u>Local Governments</u>, and <u>Non-Profit Organizations</u>. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Carlisle County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Carlisle County's compliance with those requirements.

In our opinion, Carlisle County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

Internal Control Over Compliance

The management of Carlisle County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Carlisle County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Honorable John Roberts, Carlisle County Judge/Executive Members of the Carlisle County Fiscal Court Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133 (Continued)

<u>Internal Control Over Compliance</u> (Continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

Edward B. Hatchett, Jr. Auditor of Public Accounts

Audit fieldwork completed-February 1, 2000

FEDERAL FINDINGS AND QUESTIONED COSTS

CARLISLE COUNTY FEDERAL FINDINGS AND QUESTIONED COSTS

Fiscal Year Ended June 30, 1999

A. SUMMARY OF AUDIT RESULTS

- 1. The auditor's report expresses an unqualified opinion on the financial statements of Carlisle County.
- 2. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report.
- 3. No instances of noncompliance material to the financial statements of Carlisle County were disclosed during the audit.
- 4. No reportable conditions relating to the audit of the major federal awards program is reported in the Independent Auditor's Report.
- 5. The auditor's report on compliance for the audit of the major federal award program for Carlisle County expresses an unqualified opinion.
- 6. There are no audit findings relative to the major federal awards program for Carlisle County reported in Part C of this schedule.
- 7. The program tested as a major program was: CDBG Sewer Project CFDA #14.228
- 8. The threshold for distinguishing Type A and B programs was \$300,000.
- 9. Carlisle County was not determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

REPORTABLE CONDITIONS

None.

NONCOMPLIANCES

None.

PRIOR YEAR FINDINGS

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAM AUDIT

None



CERTIFICATION OF COMPLIANCE – LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

CARLISLE COUNTY FISCAL COURT

Fiscal Year Ended June 30, 1999

CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

CARLISLE COUNTY FISCAL COURT

The Carlisle County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.

Name
County Judge/Executive

Appendix A